NCA
VOC FOR IOP/FN
BACKGROUNDER NO. 1-9897 JANUARY 5, 1976
AL ORTIZ/BUENOS AIRES

ARGENTINE POLITICAL SCENE

ANNCR:

ARGENTINAS POLITICAL LEADERS ARE STRESSING THE IMPORTANCE OF THE CONTINUING INVESTIGATIONS INTO ALLEGED CORRUPTION IN PRESIDENT MARIA ESTELA PERON'S GOVERNMENT. PRESIDENT PERON'S POLITICAL SUPPORT HAS APPARENTLY BEEN STRENGTHENED BY RECENT DEVELOPMENTS. VOA'S AL ORTIZ HAS THIS BACKGROUND REPORT.

VOICE:

THE CHARGES OF CORRUPTION IN THE ARGENTINE GOVERNMENT HAVE BEEN CIRCULATING FOR SEVERAL MONTHS NOW. A FEDERAL COURT AND A CONGRESSIONAL COMMITTEE HAVE BEEN INVESTIGATING THE CHARGES, AND POLITICAL COMMENTATORS HERE SAY THE RESULTS OF THOSE INVESTIGATIONS WILL DETERMINE ARGENTINA'S POLITICAL FUTURE.

THE CORRUPTION INVESTIGATIONS TOOK ON A GREATER IMPORTANCE FOLLOWING A REVOLT BY A GROUP OF AIR FORCE OFFICERS IN MID-DECEMBER. FOR FOUR DAYS THE OFFICERS HELD TWO AIR FORCE BASES IN THE BUENOS AIRES AREA, CALLING ON THE REST OF THE MILITARY TO JOIN THEM IN OVERTHROWING PRESIDENT PERON'S GOVERNMENT. THE REBEL OFFICERS DREW ATTENTION TO THE CORRUPTION ISSUE BY SAYING THE DISCLOSURES OF WRONGDOING IN THE GOVERNMENT HAD WEAKENED ARGENTINA'S POLITICAL INSTITUTIONS.

AFTER THE REBELLION ENDED ARMY COMMANDER JORGE VIDELA MADE AN UNUSUAL PUBLIC REFERENCE TO THE CORRUPTION ISSUE. HE SAID ARGENTINA'S POLITICAL INSTITUTIONS MUST ACT QUICKLY TO ADEQUATELY PUNISH CORRUPTION AND HE SPOKE OF WHAT HE CALLED THE SOLDIERS' RAGE AT SEEING THAT ARGENTINAS PROBLEMS WERE NOT BEING RESOLVED. GENERAL VIDELA'S CRITICISM OF CORRUPTION WAS

ECHOED BY THE GOVERNOR OF BUENOS AIRES PROVINCE. AND THE INFLUENTIAL ORGANIZATION OF ARGENTINE BUSINESSMEN, THE GENERAL ECONOMIC CONFEDERATION, WARNED THAT THE TREMENDOUS POLITICAL PROBLEMS WERE DESTROYING THE COUNTRY'S ECONOMY.

MEANWHILE, ARGENTINA'S LEFTWING GUERRILLAS LAUNCHED THEIR NOTORIOUS ATTACK AGAINST AN ARMY ARSENAL IN A BUENOS AIRES SUBURB. IT TURNED OUT TO BE THE BLOODIEST BATTLE EVER BETWEEN THE GUERRILLAS AND THE ARMY, WITH MORE THAN ONE HUNDRED PERSONS KILLED, MOST OF THEM GUERRILLAS. THE INCIDENT ONLY CONTRIBUTED TO THE POLITICAL TURMOIL. ONE ROMAN CATHOLIC ARCHIBISHOP (ANTONIO PLAZA), KNOWN AS A SUPPORTER OF THE PERONIST GOVERNMENT, SURPRISED EVERYONE BY BLAMING THE TERRORISM ON WHAT HE CALLED THE IRRESPONSIBILITY AND CORRUPTION IN ARGENTINA'S POLITICAL INSTITUTIONS. IN THE CONGRESS, A SMALL OPPOSITION BLOC INTRODUCED A RESOLUTION FOR PRESIDENT PERON'S IMPEACHMENT, AND ONE OF THE COMPLAINTS WAS THAT SHE HAD ALLOWED CORRUPTION IN THE GOVERNMENT.

BUT PRESIDENT PERON APPARENTLY STRENGTHENED HER POSITION BY ORDERING HER GOVERNMENT TO COOPERATE WITH THE CONGRESSIONAL COMMITTEE INVESTIGATING CORRUPTION. HER SUPPORTERS HAD TRIED TO BLOCK THE INQUIRY, ARGUING THAT IT WAS UNNECESSARY. A SEPARATE COURT INVESTIGATION HAD RESULTED IN ARREST WARRANTS FOR THREE FORMER CABINET MINISTERS ON CHARGES OF FRAUD AND MISHANDLING GOVERNMENT FUNDS. ONE OF THEM WAS JOSE LOPEZ REGA, MISSUS PERON'S ONE TIME CLOSEST AIDE. HE FAILED TO APPEAR IN COURT AS ORDERED AT THE END OF DECEMBER, AND MISSUS PERON STRIPPED HIM OF HIS LAST OFFICIAL TITLE AS SPECIAL AMBASSADOR TO EUROPE. OBSERVERS HERE FEEL THAT DECISION ALSO STRENGTHENED

PRESIDENT PERON'S POSITION. SHE HAD BEEN CRITICIZED FOR HER ASSOCIATIONS WITH MISTER LOPEZ REGA.

THEN THE JUDGE CONDUCTING THE COURT INQUIRY RULED THAT PRESIDENT PERON WAS NOT GUILTY OF ANY CRME WHEN SHE ATTEMPTED TO DEPOSIT SEVEN HUNDRED THOUSAND DOLLARS FROM PUBLIC FUNDS IN A PRIVATE ACCOUNT. THE GOVERNMENT HAD SAID MISSUS PERON MADE A MISTAKE AND THAT SHE STOPPED THE ILLEGAL TRANSACTION WHEN SHE REALIZED HER ERROR. THE JUDGE ACCEPTED THAT EXPLANATION. THAT RULING IS BOUND TO HELP MISSUS PERON AS THE CORRUPTION INVESTIGATIONS CONTINUE AND AS THE CHAMBER OF DEPUTIES PREPARES TO TAKE UP THE LATEST PROPOSAL FOR HER IMPEACHMENT. EVEN THOUGH MISSUS PERON'S PARTY HAS BEEN DIVIDED OVER THE CORRUPTION ISSUE, THERE DOES NOT APPEAR TO BE THE TWO-THIRDS MAJORITY NEEDED FOR THE LOWER HOUSE TO VOTE TO PLACE THE PRESIDENT ON TRIAL.

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